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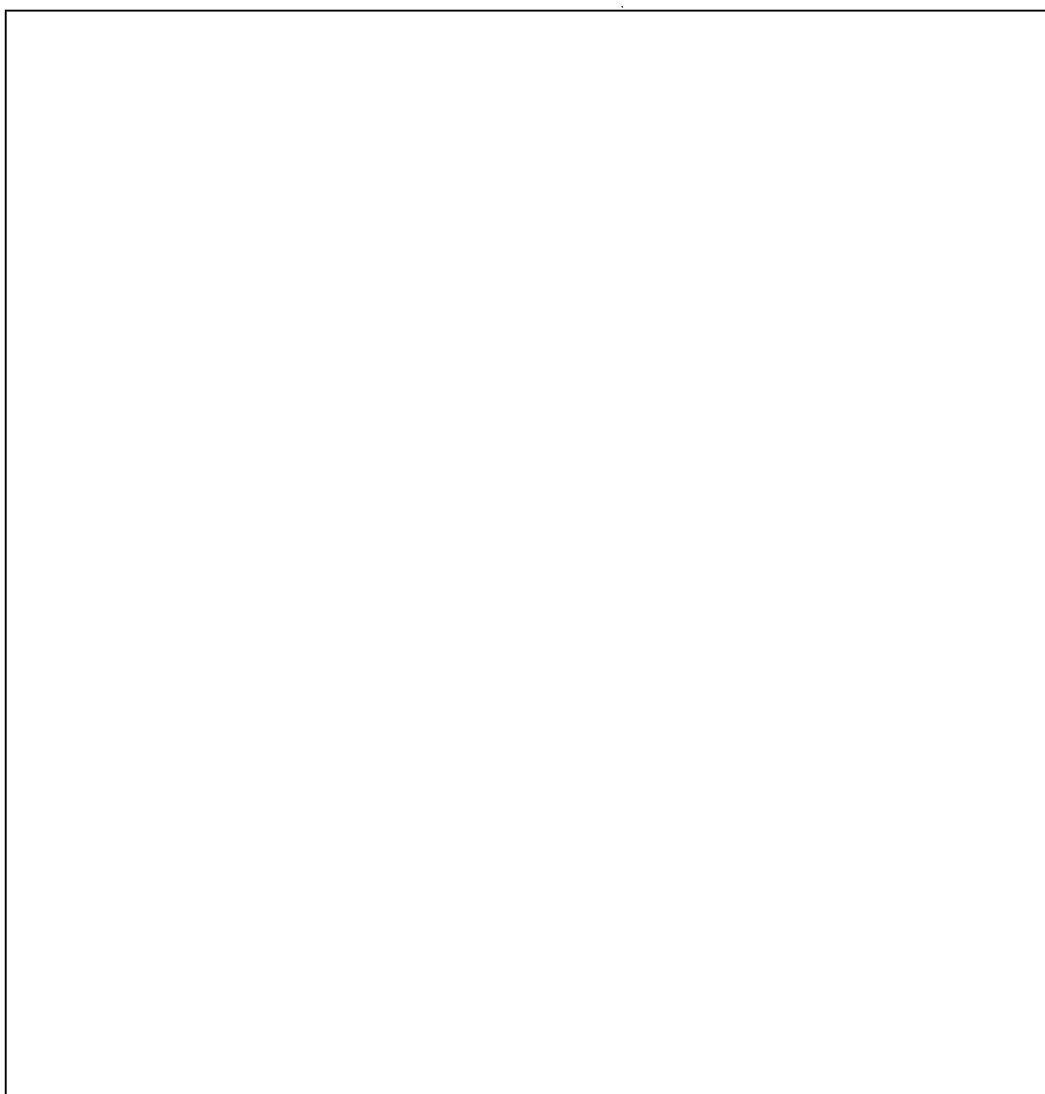
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**Prospects for and Consequences of  
Increased Communist Influence  
in Italian Politics**

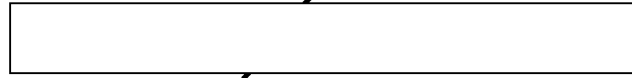
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NIE 24-1-74  
3 November 1975

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**MEMORANDUM TO HOLDERS OF  
NIE 24-1-74  
PROSPECTS FOR AND CONSEQUENCES OF  
INCREASED COMMUNIST INFLUENCE  
IN ITALIAN POLITICS**

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THIS MEMORANDUM IS ISSUED BY THE DIRECTOR OF CENTRAL INTELLIGENCE.

THE UNITED STATES INTELLIGENCE BOARD CONCURS, EXCEPT AS NOTED IN THE TEXT, AS FOLLOWS:

*The following intelligence organizations participated in the preparation of the estimate:*

The Central Intelligence Agency, the intelligence organizations of the Departments of State and Defense, and the National Security Agency.

**Concurring:**

The Deputy Director of Central Intelligence representing the Central Intelligence Agency

The Director of Intelligence and Research representing the Department of State

The Director, Defense Intelligence Agency

The Director, National Security Agency

The Deputy Assistant Administrator for National Security, Energy Research and Development Administration

**Abstaining:**

The Special Assistant to the Secretary for National Security, Department of the Treasury

The Assistant Director, Federal Bureau of Investigation

**Also Participating:**

The Assistant Chief of Staff for Intelligence, Department of the Army

The Director of Naval Intelligence, Department of the Navy

The Assistant Chief of Staff, Intelligence, Department of the Air Force

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## PROSPECTS FOR AND CONSEQUENCES OF INCREASED COMMUNIST INFLUENCE IN ITALIAN POLITICS

### PRINCIPAL JUDGMENTS

A. The mid-June regional and local election results presented the Christian Democrats with their most serious challenge in nearly 30 years as Italy's dominant party. The Communist Party's (PCI) gains of about 6 percent brought it to within 9 percent of the Christian Democrats at the regional level. Unless the Christian Democrats act soon to improve their standing, the Communists could pull ahead of them in the next national parliamentary election—to be held no later than the spring of 1977.

B. The vote had little to do with Italy's foreign policy. It reflected increasing frustration over inefficient government, inadequate services, tax inequities, and a host of other complaints for which the Christian Democrats were held responsible. It also reflected the sentiments of several million new voters enfranchised when the voting age was recently lowered to 18 and economic strains (which have hit the middle class harder than in the past). A marked deterioration in the economy, though we do not think it likely, would hurt the Christian Democrats and thus might help the Communists duplicate or improve on their success when the next national elections are held.

C. In the period *before the next national parliamentary elections*, the Christian Democrats have enough maneuvering room to avoid

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seeking Communist support in forming a governmental majority. The Communists, moreover, do not want to press the issue. *After the elections*—even if the Christian Democrats remain the largest party—their options are likely to be cut down to a choice between allying with either the Socialists or the Communists.

D. The Christian Democrats are likely, in the pre-election period, to consider:

- *Keeping the Moro government in place.* The chief advantage of Moro's government—in which only the Christian Democrats and Republicans hold cabinet posts—is that its existence affords the parties time to sort out their options and deal with internal problems. But it is increasingly clear that the government's weaknesses prevents it from taking actions that could help contain Communist gains in the next election.
- *Making concessions to the Socialists, whose moderate gains put them in a pivotal position.* The Socialists want major programmatic changes, some of the more important ministries, and an arrangement that would force the Communists to share some of the government's programmatic responsibilities, without actually holding cabinet posts.
- *Forming an all-Christian Democratic "monocolore" cabinet.* This is a traditional way of letting the dust settle, but it is only a stopgap.
- *Setting up a centrist coalition,* substituting the small and conservative Liberal Party for the Socialists. Although mathematically possible, the centrist coalition's slim parliamentary majority would make this alternative just another stopgap.
- *Calling early national elections.* This choice does not look very inviting now, but the Christian Democrats may consider it, if failure or inability to put together an effective government convinces them they would lose more by waiting until 1977.

E. The next national elections are likely to deprive the Christian Democrats of all options except an alliance with the Socialists—on terms more favorable to the Socialists than in the past—or a deal with the Communists. A centrist coalition will no longer be possible, because the losses suffered by the Liberal Party in the local contests are almost certain to be duplicated in a national race. The mathematical possibility of a center-right alliance—this has never been a politically feasible option—will also be gone if, as is likely, the neo-fascists lose as much in the national elections as they did in June.

F. The Socialists will drive a hard bargain, because they have concluded that current political dynamics threaten their survival as a separate party. They believe that they are being hurt at the polls by their subordinate association with the Christian Democrats while the Communists are helped by their opposition status. On the other hand, the Socialists are afraid they would be overpowered in any alliance with the Communists at the national level. That is why the Socialists want concessions from the Christian Democrats that would give the government a more leftist cast and obligate the Communists to support its program.

G. *While the Communist Party works for a formal share in national power* it will continue the soft line toward NATO, Europe, and the US which Berlinguer has pushed since taking over the party in 1972 and which has been vindicated by the party's electoral successes. This means:

- Tolerating Italy's NATO membership while resisting any broadening of its commitment to the Alliance or any expansion of the US military presence in Italy.
- Encouraging West European Communist parties to work out coordinated positions on social and economic issues, whether or not these positions coincide with the prevailing view in Moscow.
- Calling for eventual dissolution of both NATO and the Warsaw Pact as part of the détente process.

H. How much this soft line would harden *should the PCI come into the national government* and how responsive the PCI would be to Soviet influence are questions on which differences of opinion remain in the US Intelligence Community.<sup>1</sup> There is no doubt that the greater the PCI's influence on or in the government the more difficulties NATO will have in Italy. And for all the PCI's clear differences with Moscow, there are close ideological ties and the policies of the two are parallel in many respects. In addition, there is evidence of division within the PCI on questions of foreign policy; some PCI leaders, at least, would probably prove more responsive to Moscow once the party got into the government.<sup>2</sup>

<sup>1</sup> See NIE 24-1-74: Prospects for and Consequences of Increased Communist Influence in Italian Politics, 18 July 1974, pp. 18-20, and paras 47-48 of this memorandum.

<sup>2</sup> The Defense Intelligence Agency, The Assistant Chief of Staff for Intelligence, Department of the Army, the Director of Naval Intelligence, Department of the Navy, and the Assistant Chief of Staff, Intelligence, Department of the Air Force believe that the relationship of the PCI to Moscow is a more fundamental one than suggested here. Although the PCI is no longer fully subservient to the dictates of the Soviet Politburo, the text does not sufficiently emphasize that the party would be responsive to Moscow, particularly on East-West issues, once in power.



I. If they entered the government, the Communist leaders would probably avoid at the outset any precipitate move (trying to pull Italy out of NATO, for example) that could endanger their position over the longer run. They would realize, moreover, that allowing the Soviets a strong say in how Italy is run would jeopardize the PCI's painstaking efforts over the years to stress its Italian identity. The PCI leaders would be heavily influenced by tactical considerations. They would want to move cautiously, at least at the outset, in order to avoid the risks of conservative counter-reaction, or alienation from Western Europe and the US, which would arise from all-out opposition to NATO or from behaving, for example, like the Communists of Portugal. The PCI's cautious approach would be complicated, however, by increased pressure for results from its own rank and file. In any event, there is every reason to believe that the Communists would be able to influence government policies substantially.

J. While Communist membership in the national government may have been brought closer by the PCI's recent success, the Christian Democrats have other options and will take them—at least in the period before the 1977 elections. In terms of real political influence, however, the PCI—which now participates directly in the governments of most major cities, five of the 20 regions, and nearly a third of the 94 provinces—is much stronger today than before the elections. Communist leader Berlinguer has always stressed the gradual nature of his "historic compromise" strategy and will welcome additional time to consolidate these gains. Continuing his cautious approach, Berlinguer's major aim will be to demonstrate that the party can deliver the efficient local-level administration it promised during the campaign. Any success he achieves in that respect will go far toward breaking down the remaining psychological and traditional barriers to PCI membership in the national government.

K. Our estimate of probable PCI behavior is based on the near certainty that the PCI would not only have to share power with other parties if it entered the government, in the near or medium term, but would also have to take account of public opinion. Farther into the future, the Communists would work to gain predominant power and, if this were achieved, constraints on their behavior would clearly diminish. In such circumstances, the PCI could be expected to become more aggressive and doctrinaire.

## DISCUSSION

### What the Elections Mean

1. Three conclusions emerge inescapably from the shift to the left in Italy's regional and local elections on 15-16 June.

— For the first time in the postwar period, the Christian Democratic Party is in real danger of losing its predominant role at the national level. Its position at the regional and local levels was weakened and the party could conceivably fall behind the Communists in the next national elections which must be held by 1977.

— The Communist Party, whatever its ultimate intentions, is viewed by an increasing number of Italians as a legitimate national party qualified to participate directly in the governing of the country.

— The Socialist Party's moderate gains, combined with the losses by the Christian Democrats and the parties of the right, have made the Socialists more essential than ever to Christian Democratic efforts to govern Italy without the Communists.

2. The Communist Party's gains of 5-6 percent exceeded any the party has scored since the end of World War II and brought it to within 2-3 percentage points of the Christian Democrats at the regional, provincial, and municipal levels (see Ap-

pendix). The surge toward the Communists was above all a vote against "bad government" at home. Italy's foreign policy was not a major issue. The vote reflects widespread frustration with inadequate public services, inequitable taxation, a succession of covered-up scandals, crowded schools and hospitals, increasing crime rates and inadequate public housing—to mention only some of the things that bother Italians.

3. Although dissatisfaction with these aspects of everyday life in Italy has been building for years, the country's voting patterns have remained remarkably stable until now. A number of factors and trends helped turn this dissatisfaction to the Communists' advantage in June.

— The lowering of the voting age to 18 put more new voters on the rolls than ever before (approximately 4.5 million). Many of them are unemployed and unaffected by the deep-seated anti-communism that influences many of the older generation. Many of the first-time voters seemed to consider voting for the Communists the fashionable thing to do. Estimates of how many new voters supported the Communists range from 35 to 70 percent. Our calculations suggest that the figure may have been somewhat lower—perhaps in the 45-50 percent range—which would account for over 70 percent of the additional votes received by the PCI in the regional contests. The trend

toward the Communists among new voters was probably more pronounced in the northern urban areas than in the less-developed south, a pattern that would be consistent with PCI performance generally.

- The remainder of the PCI increase came from voters who switched from other parties. There is evidence of increased Communist support among middle class voters in particular. The country's most serious postwar recession and government policies to deal with it have hit hard at the middle class voters and may have persuaded many of them to protest by voting PCI.
  - New voters and others were probably influenced by the fact that the governing parties were more divided than usual. Differences which they were unable to settle during Italy's longest postwar government crisis late last year were carried over into the campaign. The Socialists urged the electorate to vote against the Christian Democrats and vice versa.
  - The Christian Democrats' grass-roots organizations have become less effective. Rapid urbanization, for example, has diminished the effectiveness of Church-related groups in recruiting and mobilizing supporters. The party's ties to the industrial working class have also weakened; the Christian Democratic-oriented labor union now appears to place cooperation with Italy's other labor organizations—including the Communist one—ahead of party ties on its list of priorities. Relations between the Christian Democrats and their youth contingent have suffered from such incidents as former party leader Fanfani's purge of the youth movement's leadership early this year.
  - The Communists' success, meanwhile, can be attributed in part to their cultivation over the years of a vast network of grass-roots organizations—neighborhood committees, factory councils, tenants' associations, and a myriad of others—which constitute the only direct contact many voters have with a political party.
4. The Communist increase cannot be explained solely as a protest vote. In many localities, Italians were clearly voting for leftist governments, like the

Communist-Socialist coalitions found throughout the three north-central "red belt" regions where the two parties have shared power for years. Many voters obviously accepted the Communist claim to have been efficient and honest administrators in the localities where they have held the balance of power.

5. The Communists' success knocked all of the governing parties off balance. And the parties' initial reactions were as indicative of Italy's political ills as the outcome itself. Despite the widespread conviction in Italy that the Christian Democrats need to reassess party policies, their first response was a predictably abortive attempt to get the Socialists involved in immediate negotiations for another center-left government of the same kind and on essentially the same terms as before. This is the kind of maneuver that has contributed to popular disenchantment with the party.

6. The Christian Democrats did additional damage to their image by following this ploy with one of the most divisive national council meetings in the party's recent history. At a lengthy session in July, the council—the Christian Democrats' principal deliberative body—was able to agree on the ouster of Fanfani as party chief but failed to make any final decisions on a replacement for him or on policy changes. Instead, the Council tapped its president—the respected but politically unambitious Benigno Zaccagnini—to serve until the party congress. Between now and their congress the Christian Democrats will not be able to avoid inter-factional maneuvering aimed at putting together a majority behind a new party leader. And there will, it seems, be plenty of time for that. The party has not yet set a date for the congress.

7. In normal times, the above scenario—typical of Christian Democratic internal politics over the years—would not have drawn much criticism. This time, however, many Italians were probably disappointed that the party seemed unable to go beyond "business as usual" in the face of its most serious postwar challenge.

8. The Socialists, meanwhile, are still refusing to return to full participation in the center-left coalition unless the Christian Democrats adopt policies in line with the leftward shift reflected by the

result of the June elections. When eventually the Christian Democrats turn their attention to policy, they will face limited options.

### Short-Term Options for the Christian Democrats

9. *In the period before the next national elections, the Christian Democrats could:*

- Try to keep the Moro government in place. Nothing better reveals the extent to which the parties are deadlocked than the longevity of the Moro government, a Christian Democratic-Republican cabinet that depends on Socialist and Social Democratic parliamentary support. Set up as an interim solution nearly a year ago, Moro's government has hung on because the Christian Democrats and Socialists cannot agree on how to replace it. In not challenging Moro, each party can devote its time and energy to dealing with a host of internal problems. Leaving Moro in place until the next elections, however, would signal to the voter that the Christian Democrats and Socialists are nowhere near agreement on how to deal with the country's problems. In addition, a wide variety of Christian Democratic politicians concede that the government's weakness means it can take no actions in parliament that are unacceptable to the Communists.
- Meet the Socialists' terms by granting them major programmatic concessions and giving them more of the important ministries. (The Socialists aspire to such portfolios as treasury, interior, and defense as well as a larger chunk of the patronage power in the public sector of the economy.) The Socialists are also insisting on some form of "indirect" involvement by the Communists, such as an agreement for them to abstain in key parliamentary votes or be consulted formally on the government's legislative program. If the Christian Democrats were to find some way to accept the last condition and put together an agreement with the Socialists that results in improved social and economic programs, rather than just a redistribution of the perquisites of power, this might permit a revival of Christian Democratic-Socialist cooperation; if the Christian Democrats

grant the Communists some kind of institutionalized (albeit "indirect") role, however, it will be more difficult to avoid broader collaboration with the Communists eventually.

- Set up a temporary all-Christian Democratic "monocolore" cabinet, a course frequently chosen by the Christian Democrats when they are at odds with their coalition partners. Resorting to this stopgap now, however, would only make it more difficult to deal effectively with the country's problems while limiting the Christian Democrats' ability to spread the blame for any worsening of the situation.
- Try to revive the centrist coalition, replacing the Socialists with the small, conservative Liberal Party. Although mathematically possible in the present parliament, the centrist coalition's paper-thin majority would make it just another stopgap. It was tried after the 1972 parliamentary elections and proved unworkable. The nationwide decline of the Liberals in the regional elections, moreover, confirms that the centrist alternative no longer has any real support in the country. Still, the Christian Democrats would probably prefer another try at centrism to a deal with the Communists. A center-right alliance with the neo-fascists remains a mathematical possibility for the Christian Democrats but that course is politically unfeasible. Such a move would be met by widespread disapproval, violence, and intransigent opposition from the Italian center and left, including organized labor.
- Call national elections ahead of schedule. Despite the risks involved, this alternative could become more attractive to the Christian Democrats if they concluded that they would lose less in early elections than in 1977. If the Christian Democrats could keep their position as Italy's largest party, they would have a few more years to work at improving their standing. Persistent internal divisions or failure to reach agreement with the Socialists are among the circumstances that could encourage the Christian Democrats to move toward early elections.

10. Of these options, most politicians favor keeping the Moro government in place at least until the

Socialists and Christian Democrats have held their congresses. The Socialists will meet in February; the Christian Democrats are aiming for sometime in the spring.

11. Meanwhile, Moro will need all of his tactical skill to keep his government afloat. The Socialists, for example, would find it difficult to continue supporting Moro if labor disapproves of his government's performance in negotiations for major contract renewals between now and the end of the year. On the other hand, the Republicans—advocates of economic austerity—could pull out of the government if labor gets everything it wants.

12. The fact that it is taking the Christian Democrats and Socialists so long to sort out their other options is symptomatic of how difficult it would be for them to agree on how to replace Moro. Even if the Christian Democrats hold their congress as early as next spring, the proximity of the elections—they will be only a year away—will make electoral considerations the major factor in any decisions about a new government. The debates taking place inside both the Christian Democratic and Socialist parties seem to be pointing toward a revival of their alliance on the basis of a program oriented more to the left.

13. The key variable in determining whether they try this before the next elections will be what the Socialists conclude about the potential effect of government membership on their performance at the polls. Since they are convinced that in present circumstances government membership hurts them electorally, the Socialists are not likely to rejoin the Christian Democrats unless the latter agree to a government formula and program that the Socialists can defend to voters who are clearly in the mood for change. If such an agreement proves elusive—as seems likely—the country will probably go into the next elections, whether in 1977 or ahead of schedule, under a caretaker such as the Moro government or a "monocolore" Christian Democratic administration.

### After the Next Elections

14. The next national elections, whenever held, will almost certainly leave the Christian Democrats with even fewer options. In particular, they are likely to lose the options of forming a centrist or

a center-right coalition, because the losses sustained by the Liberals and neo-fascists in June will probably be duplicated in a national contest. Then, for the first time, the only course open to the Christian Democrats—short of a deal with the Communists—will be collaboration with the Socialists. Excessive Socialist demands under those circumstances could lead more Christian Democrats to the view that the Communists are more "serious" and "reliable" than the Socialists and, therefore, likely to be better coalition partners.

15. The above scenarios assume that the Christian Democrats will remain the plurality party after the next national elections. If the Communists move into first place, however, the coalition-forming process could be altered fundamentally; by tradition, the President of the Republic calls on the largest party to provide a candidate to form the government, and, of course, the Christian Democrats have always received the call. If the PCI outpolled them, however, an unprecedented situation would result.

16. It is by no means certain that in national elections the Communists would duplicate their recent gains, but it would be dangerous to assume otherwise. A substantially improved economic situation, and/or real cooperation between the Christian Democrats and Socialists, for example, might cut down on the PCI's vote, but it should be noted that the PCI has never lost in substantial numbers voters which it has won over in the past. The main sources of its new strength (young voters in particular), moreover, are not likely to desert the Communists any time soon. Although voters who crossed over to the Communists from the Christian Democrats and other parties may be less firmly in the Communist camp, their switch probably reflects long-maturing discontent rather than temporary anger. They probably did not come easily to the decision to vote Communist and it will take a marked improvement in the situation to make these voters reverse themselves.

### Christian Democratic Dilemmas

17. If the Christian Democrats are to have any hope of recapturing the votes they have lost, they will have at least to give the impression that the party is responsive to the electorate's desire for

change in general and for more efficient government in particular. Christian Democrats who try to reorient their party will be hindered by a number of factors:

— Fanfani's campaign strategy resulted in a shift of the party's image further to the right at a time when the country seems to be moving left; he partially offset losses to the left by campaigning on conservative themes that drew support away from the traditional and neo-fascist right. The Christian Democrats could, of course, put more emphasis on leftist themes but the long domination of the left by the Socialists and Communists would make it difficult for the Christian Democrats to compete with them.

— It will be hard for the party's diverse factions to break the ingrained habit of maneuvering for internal advantage even after policy decisions are taken. One symptom of this tendency is the party's chronic inability to impose discipline on its parliamentary representatives when controversial issues are up for a vote. As a result, Communist abstention has often been the factor that permitted the center-left to muster a majority behind new social and economic programs.

— The Christian Democrats can field new faces capable of improving the party's tired image only at the risk of a major internal upheaval and of alienating traditional supporters.

18. A dynamic new program might help the Christian Democrats, but their problems—and those of the center-left—are not primarily programmatic. The center-left's program proposals have always been ambitious, but the failure to implement many of them has contributed to a general skepticism about political promises.

19. The electorate will be influenced more by performance than proposals the next time around. Apart from that, however, the Christian Democrats' priority task is organizational. Years of neglect have left their vote-gathering machinery in disarray. Interim party leader Zaccagnini has had some success in securing approval of internal changes that, if implemented, could limit the divisive impact of the factions and help revive Christian Democratic

ties with such key sectors as youth and organized labor. The Christian Democrats face an uphill struggle, however, in competing for the allegiance of new voters.

### The Socialist Role

20. In addition to these internal problems, the Christian Democrats' next set of negotiations with the Socialists are likely to be the toughest since the inception of the center-left alliance more than a decade ago.

21. The election results have convinced the Socialists that current political dynamics in Italy are working against their long-term survival as a separate party, and that their party will suffer at the polls if it remains allied with the Christian Democrats while the Communists are free to criticize from the opposition. In the Socialist view, that is why the Communists captured the lion's share of votes that went to the left for the first time in June.

22. On the other hand, the Socialists fear that they would be dominated and eventually destroyed in any partnership at the national level with the stronger and better-organized Communists. The Communists have a stronger press (*L'Unita* is the country's third largest newspaper), more influence with labor (the Communist-dominated CGIL is the largest Italian labor organization), and more effective grass-roots organizations.

23. To deal with both of these problems, the Socialists are trying to distinguish themselves from both the Christian Democrats and Communists with a policy that:

— rules out Socialist participation in another center-left coalition that leaves them in a subordinate role vis-a-vis the Christian Democrats;

— opposes Communist chief Berlinguer's "historic compromise" strategy, which has as its eventual goal a government based on Communist-Christian Democratic collaboration. Berlinguer says the Socialists would also have a role, but they are convinced it would be marginal at best.

— calls for a revival of Christian Democratic-Socialist cooperation based mainly on So-

cialist program proposals, and with some arrangement that would limit Communist ability to criticize government actions.

24. To achieve the last objective, the Socialists favor "indirect" Communist involvement but are vague about the form that it should take. They are apparently aiming to get themselves, the Communists, and the Christian Democrats publicly committed to the same general program through some relationship well short of actual Communist membership, such as formalized consultations with the Communists on the government's legislative proposals. The Socialists hope that such a relationship would pin some of the responsibility for government actions on the Communists and deprive them of their privileged opposition status.

25. The Socialists have followed a variation of this policy at the local level since the elections. They have advocated regional, provincial, and municipal governments "open" to all parties except the neo-fascists. In practice, however, most local Socialist organizations prefer to ally with the Communists rather than the Christian Democrats. Even in areas where center-left coalitions were still possible after the election (e.g., Liguria and Piedmont regions, and the cities of Milan and Venice) the Socialists set up governments with the Communists when the Christian Democrats balked at "opening" the center-left to some form of Communist participation. Where the Christian Democrats have been more flexible—in five regions they agreed to consult formally with the Communists on government programs—the Socialists have adhered to the center-left formula.

26. The balance sheet at the local level shows that the "Red Belt" has been extended from three (Emilia-Romagna, Tuscany, and Umbria) to five of the 20 regions with the addition of Liguria and Piedmont. Most major cities, including Milan, Turin, Venice, Genoa, Naples, and Florence, now have governments controlled or dominated by the Communists and Socialists. Before June, the Communists and Socialists administered about a dozen of the 94 provinces; since then, the two parties have put together governments in about a third of the provinces.

## Communist Strategy

27. The Communist Party will move cautiously in consolidating its gains. In their post-election comments, the Communists are playing down the national implications of the vote and sticking to the issue-oriented approach that served them well in the campaign. Immediately after the vote, they published a communique emphasizing regional and local affairs and summing up what they think needs to be done to meet specific social and economic problems.<sup>3</sup>

28. Berlinguer has always stressed that he is in "no hurry" to realize his goal of membership in the national government. The PCI's dramatic gains, however—unforeseen in even the most optimistic Communist estimates—have put Berlinguer in a dilemma. Events may be overtaking his strategy. His desire to avoid creating fear in moderate or right-wing circles will argue in favor of moving slowly, but he will have to rethink his timetable and strategy in the event the Communists equal or outpoll the Christian Democrats in the next national elections.

29. The spread of Communist-Socialist local coalitions is a mixed blessing for the Communists. While the trend amounts to a decided increase in Communist influence, it may also complicate Berlinguer's "historic compromise" tactics aimed at an eventual rapprochement with the Christian Democrats at the national level. When he launched the "historic compromise" proposal two years ago, Berlinguer explicitly rejected the possibility of coming to power through a leftist "front;" the Communist leader maintained that the country could not be governed by such a grouping—even if it had a 51 percent majority—because it would lack an adequate consensus without a "Catholic" com-

<sup>3</sup> The PCI communique called for parliamentary action to correct "unjust" provisions in the tax laws. Other highlights of the document include recommendations for measures to stimulate the construction industry, acceleration of investments already programmed for the underdeveloped south, the scheduling of a national conference on the problems of the young unemployed, the establishment of an interparliamentary commission to reorganize the state industries, the rapid conclusion of parliament's anti-Mafia investigation, discussion of the proposals by the PCI and Socialists for the reorganization of the police, and a "serious confrontation" on the issues of abortion and birth control.

ponent. Put another way, Berlinguer probably feels that he needs a fairly strong Christian Democratic Party to "cover" the Communists as they move toward power, i.e., Christian Democratic acquiescence would help ensure against a moderate and right-wing counteraction.

30. The Communists claim, for example, that they are "not a bit happy" about the situation in Milan. A Communist-Socialist government was formed there after the Christian Democrats rejected a Socialist attempt to give the Communists a formal voice in a center-left city coalition. The Communist-Socialist majority, however, was provided by a handful of Christian Democratic and Social Democratic defectors, a Socialist-arranged development which the Communists fear has poisoned their relations with the local Christian Democrats. The Communists are trying to patch things up by promising the Christian Democrats a share of municipal patronage, despite their opposition status.

31. The Communists are uneasy, moreover, about having to take responsibility for difficult problems in Naples and other places, while the Christian Democrats gain the freedom to criticize from the opposition. Failure to improve things in these areas could tarnish the Communist reputation for efficient administration. Some Christian Democrats, on the other hand, think that a period in opposition is just what their party needs to rebuild itself.

32. Since June, the Communists have rejected Socialist chief De Martino's proposal for "indirect" Communist involvement in the national governmental process. A year ago, Berlinguer called for a formalized consultative relationship between his party and the government, presumably as another way of establishing his party's legitimacy. At the time, however, Berlinguer had no idea the Communists would do so well at the polls this year, and he will now want to avoid any appearance of condoning the kind of government he attacked with such success in the campaign. In return for any open cooperation, therefore, Berlinguer will want some formal recognition from the Christian Democrats and Socialists of the Communists' potential as a governing party. Berlinguer will not accept responsibility without power.

### Internal Strains: A Problem for All the Parties

33. A major factor that will complicate Christian Democratic, Socialist, and even Communist efforts to sort out their options in the coming months is the existence of pronounced differences of opinion in each party over future courses of action. Positions have not yet crystalized in the Christian Democratic Party, and the extent of the division is suggested by a loosening of alliances among leaders of the traditional factions, particularly in the center of the party. Foreign Minister Rumor has left the middle-of-the-road *dorotei* faction, which until now included about a third of the party. Rumor is vague about his future plans, but he seems to be moving toward the party left. A split has also developed between Budget Minister Andreotti and Treasury Minister Colombo, who head the other centrist faction—about 16 percent of the party. With such basic internal changes under way, the Christian Democrats are not likely to pull themselves together anytime soon.

34. The Socialists must also deal with internal strains. Their freedom of maneuver is limited by the same kind of internal programmatic differences and personal rivalries that plague the Christian Democrats. On the surface, the Socialists are united behind De Martino's policy of continuing their alliance with the Christian Democrats, provided the latter agree to some arrangement that would deprive the Communists of their freedom to criticize from the opposition. Implicit in that line, however, is the identity problem that has plagued the Socialists over the years. It only begs the question of what the Socialists will do if the Christian Democrats persist in refusing concessions to the Communists. Current trends could force the Socialists to choose between the Christian Democrats and Communists sooner rather than later—a decision that would bring out all of the centrifugal pressures concealed by the Socialists' present thin veneer of unity.

35. Although the Communist Party is more disciplined than the others, there have been some internal differences over the modalities of Berlinguer's strategy. These surfaced at the PCI Congress last March. Organizational changes since then, plus the election victory, have strengthened Berlinguer's



control of the party. He is determined to avoid being pushed into hasty moves, but he must now contend with pressure from the rank and file to translate the election gains into tangible benefits. The party leadership, for example, is having trouble enforcing its cautious line in areas where the local Communist organizations won more than 51 percent of the vote.

36. The outcome of the Christian Democratic-Socialist dispute will also hold potentially divisive choices for the PCI. An offer of limited participation in the national governing process, for example, would present the PCI with its toughest decision in years. Such an arrangement could enhance Communist respectability, but it would also compromise the party's opposition status without giving it much control over government actions. On the other hand, if Christian Democratic-Socialist differences prove irreconcilable and the Socialists move closer to the Communists, this could revive support in the PCI for an "alternative of the left"—a strategy that has been in disfavor since Berlinguer launched his drive for rapprochement with the Christian Democrats.

#### International Implications

37. The election results will have to be seen, even by Berlinguer's critics in the party, as a vindication of his moderate line. He did not campaign on foreign policy issues, but he had to meet Christian Democratic charges that the Italian Communists would behave just like Portugal's if admitted to the government and that they would ultimately destroy Italy's defense ties with the West. In response, Berlinguer criticized his counterparts in Lisbon while reiterating his claim that the Italian Communists would not try to remove Italy from NATO after joining the government.

38. The Communists cannot ignore the fact that their greatest electoral gains since the end of the war came at a time when they were less critical than ever of NATO and Italy's ties to the US. In addition, key Communist leaders, including Berlinguer, believe that PCI participation in the government cannot be achieved on workable terms without US acquiescence. These factors are likely to keep the Communists wedded to Berlinguer's soft tactical line on NATO and the US as they work toward

government membership. They will continue, of course, to work against any broadening of Italy's commitment to the alliance or any expansion of the US military presence in Italy. The Communist rationale for this posture will remain centered on their claim to want the eventual dissolution of both NATO and the Warsaw Pact as part of the process of detente.

39. Meanwhile, the Communist Party will stick to a European policy that is designed to satisfy both its membership and those Italians who insist that the party demonstrate its independence. The PCI has tried to reinforce its image as a European party by working for a strong West European regional grouping of Communist parties. The aim of this effort has been to develop a coordinated West European Communist posture toward key European social and economic issues. In this way, the PCI hopes to appear less dependent on Moscow and increase its acceptability to the non-Communist parties. At the same time, the party retains its identification with the international Communist movement—a factor that remains important to a portion of its supporters.

40. This approach has carried over into the preparations for the European Communist party conference, in which the PCI—along with the Romanians and Yugoslavs—has been in the forefront of efforts to prevent the meeting from endorsing Soviet hegemony over the European parties.

#### West European Attitudes

41. PCI participation in the Rome government would be a matter of serious concern in Western Europe, especially among top government leaders. The alarm felt throughout Europe over the threat of a Communist takeover in Portugal has increased sensitivities on this point. Yet the West Europeans do not view the situation in Italy in the same way as they do Portugal. This is partly explained by PCI behavior in various regional bodies, such as the European Parliament and European Trade Union Confederation, where party representatives have behaved quite responsibly. In the present atmosphere of detente there is a growing tendency among Italians and many of the Europeans to view the PCI as less threatening.

such a government would generate grave problems for Italy's continued participation in nuclear defense planning and operations.

46. Moreover, the Intelligence Community agrees that the long-term goals of the Italian Communists are:

- establishing a Communist system in Italy;
- removing US bases and influence;
- withdrawing Italy from NATO;
- shifting Rome's foreign policy via a more neutralist posture to a closer alignment with Moscow.

There remains, however, disagreement within and among the intelligence agencies over the tactics that the PCI would use and the alacrity with which it would pursue these goals.

44. Certain potential international developments could heighten West European concern about the possibility of PCI membership in the Italian government. For example, if Yugoslavia in the post-Tito period became more open to Soviet influence, Italians and other Europeans would probably be less inclined to risk an opening to the PCI.

#### Italian Foreign Policy if PCI Enters the Government

45. The most difficult question is what the Communists would do with respect to foreign policy *if they achieved a role in government*. When NIE 24-1-74 was published in July 1974, the Intelligence Community agreed on several significant points as to what to expect from such a government: the PCI would seek to prevent any increase in the US or NATO presence in Italy; and it would try to discredit the US military presence, to put restrictions on the use of NATO facilities, to pose obstacles for NATO activities involving Italian armed forces, and to promote petty harassments of US facilities. PCI membership in government also would pose difficult security problems for Italy's participation in NATO

47. The NIE of July 1974 recorded differences of view between the Defense Intelligence Agency, the armed services, and certain elements of the Central Intelligence Agency on the one hand and the Director of Central Intelligence, the Department of State, the National Security Agency, and most elements of CIA on the other, with respect to whether the Italian Communists would go much beyond the actions mentioned in paragraph 45. DIA, the services, and certain elements of CIA continue to believe that these would be the minimal actions and that more serious problems would arise. Once established in the government, the Communists would probably soon agitate for the removal of US bases. Should they attain a position of substantial influence in the government, the PCI would almost certainly move to withdraw Italy from the Alliance altogether. While trying to restrict NATO activities, the PCI would probably encourage increased contact with Warsaw Pact military forces, including port calls by units of the Soviet naval forces in the Mediterranean. Communist participation in governments in Iceland and in Portugal have in the past

raised serious problems for NATO. Communists in the government in Rome would raise even more serious problems.

48. The Director of Central Intelligence, State, NSA, and most elements of CIA continue to believe that PCI entry into the Italian government would entail adverse, though not necessarily disastrous, consequences for NATO and Italy's role in it. They believe that the PCI would feel it necessary to proceed more cautiously and would not jeopardize its gains by pressing in the short term for radical change in Italy's foreign alignment.

### Looking Ahead

49. A key factor regarding the limits on PCI influence over foreign policy would be the relative strength of the Christian Democratic Party. The Christian Democrats would not be bargaining from a very strong position, however, if the Communists match or exceed their recent performance in the next parliamentary race. At first glance, this suggests that the Communists would feel free to abandon their traditional caution. Any judgment along these lines, however, must be tempered by the fact that the Communists never expected to achieve their present position of strength so soon. Berlinguer has always stressed the long-range nature of the "historic compromise" strategy and he probably thought that by the time the Christian Democrats were sufficiently "conditioned" to accept his party, the process of detente would have made NATO a less contentious issue.

50. As one of our Communist sources observed recently, however, circumstances have transformed the "historic compromise" from a long-range problem to a nearer-term one. Thus, Berlinguer may have to deal with the NATO issue sooner rather than later and while NATO and the Warsaw Pact are still the major elements in the European strategic picture.

51. The Communists would drive a tougher bargain if they maintained their present strength, but their policy on Italian membership in NATO would depend largely on their assessment of the overall

international and strategic situation at the time they were negotiating to enter the government, as well as on their perception of domestic political constraints. If Berlinguer judged that the Communists could garner enough domestic support for pulling Italy entirely out of NATO, he would still have to weigh carefully the likely consequences for a fundamental goal of the PCI—developing an "Italian way to Socialism." If he concluded that leaving NATO would open the way for meddling Soviet dictation to Italy he would probably try to find a way to rationalize continued membership in the Alliance—if only as the lesser of two evils. Nonetheless, an Italian government that included Communists would bring into serious question that government's compatibility with the fundamental precepts of the NATO organization. It would require a new assessment of Italy's reliability as an ally at a time of increased divisiveness and tension on the Alliance's southern flank. This in itself would be a significant advance for Soviet interests. And PCI foreign policy positions would continue to parallel Moscow's on a number of issues, especially outside the European sphere.

### Soviet Influence

52. The longer-term question is what Moscow would be able to do with the Communist Party if and as it attained a share of power in the national government. Moscow's ability to influence the PCI through financial pressure appears to have lessened since the mid-1950s when Soviet bloc contributions (\$7.5 million) amounted to well over half of the party's annual budget (about \$11 million). Over the years, the PCI has increased its revenue from other sources (party-owned companies, profit-making cooperatives, etc.). In addition, the PCI received an enormous financial boost from legislation last year that provided for public funding of political parties. The funds are apportioned according to a party's parliamentary representation and the PCI thus received the second largest amount in 1974—more than \$16 million. That alone accounts for about 45 percent of the PCI's published budget for 1974 (\$36.6 million).

PCI leaders would be constrained by certain of the party's overriding objectives—among them:

- to avoid any quick counter-reaction which would deny them the best opportunity they have had to become a more or less permanent part of the governing majority;
- to promote a similar evolution in fortunes and outlook on the part of other West European Communist parties.

Efforts by the PCI leadership to stick to a cautious policy once in the government would be complicated, however, by increased pressure for change from its rank and file. These pressures would be directed more toward securing change in domestic than foreign policy, although they could spill over into the foreign field.

56. The foregoing discussion of probable PCI behavior is based on the near certainty that the PCI would not only have to share power with other parties if it entered the government, in the near or medium term, but would also have to take account of public opinion. Farther into the future, the Communists would work to gain predominant power and, if this were achieved, constraints on their behavior would clearly diminish. In such circumstances, the PCI could be expected to become more aggressive and doctrinaire.

57. In sum, the Italian Communists reflect a fundamental ambivalence. A substantial part of the PCI's strength and appeal stems from the party's identification with the international Communist movement and its revolutionary aims. At the same time, the PCI's Italian identity is strong and the party rejects heavy-handed and excessive Soviet influence. The contradiction between these competing aspects of the PCI character has been evaded by a series of Italian Communist leaders beginning with Gramsci, the party's principal founder. No one, however, has been more successful than Berlinguer in avoiding the potential pitfalls of the PCI's dual identity.

58. There is still no clear resolution of the contesting influences, and the impact on PCI behavior of the party's Italian and international identities will continue to vary with events in Italy, Europe, the USSR, and the Atlantic Alliance. On balance,

53. A Soviet threat to cut financial support would probably not force the PCI to change a policy it judged vital to its interests in Italy. After criticizing the Soviet invasion of Czechoslovakia in 1968, for example, the PCI expected a reduction or suspension of Soviet aid. Although the reduction apparently did not materialize, there is no evidence that the PCI considered a change in its position. Instead, the PCI was ready with an across-the-board austerity program and studies on how to increase its income from other sources.

54. Nevertheless, there are important ideological ties between the Italian and Soviet parties, and we assume there are within the upper echelons of the PCI individuals who would be responsive to Soviet guidance and who could be encouraged to do Moscow's bidding once the Communists attained a governing role.<sup>4</sup>

#### PCI Attitude <sup>5</sup>

55. Berlinguer and his associates have taken Soviet money and welcomed Soviet support but have also demonstrated a willingness to differ with Moscow and to ignore Soviet pressures and protestations when the Italian Communists think their position with Italian voters is at stake. The PCI would inevitably reevaluate those interests if it achieved a role in the government. At least in the short run,

<sup>4</sup> The Defense Intelligence Agency, the Assistant Chief of Staff for Intelligence, Department of the Army, the Director of Naval Intelligence, Department of the Navy, and the Assistant Chief of Staff, Intelligence, Department of the Air Force believe that the relationship of the PCI to Moscow is a more fundamental one than suggested here. Although the PCI is no longer fully subservient to the dictates of the Soviet Politburo, the text does not sufficiently emphasize that the party would be responsive to Moscow, particularly on East-West issues, once in power.

<sup>5</sup> The Defense Intelligence Agency, the Assistant Chief of Staff for Intelligence, Department of the Army, the Director of Naval Intelligence, Department of the Navy, and the Assistant Chief of Staff, Intelligence, Department of the Air Force believe that this section of the text does not sufficiently emphasize that for the PCI this cautious approach is dictated by tactical considerations. The soft line that the PCI has adopted on various issues, including NATO, does not reflect its long-term goals as stated in paragraph 46 of the text.

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however, it appears that the Italian factor will weigh more heavily in the coming few years principally because of the PCI's need to assuage the fears of its opponents in Italy and abroad. Thus, the PCI will continue to stress its resistance to dic-

tation from Moscow. Regardless of the degree of Soviet influence, however, the PCI will maintain its potential as an erosive influence in the alliance and will frequently pursue policies that run counter to US interests.

## APPENDIX

Results in percentages of June 15-16, 1975 Italian regional, provincial, and municipal elections compared with the previous ones (1970) and the 1972 parliamentary elections.

REGIONAL RESULTS

	<u>1975</u>	<u>1972</u>	<u>1970</u>
Christian Democrats (DC) .....	35.3	38.4	37.8
Communists (PCI) .....	33.4	28.3	27.9
Socialists (PSI) .....	12.0	9.8	10.4
Neo-fascists (MSI-DN) <sup>1</sup> .....	6.4	8.1	5.2
Social Democrats (PSDI) .....	5.6	5.2	7.0
Republicans (PRI) .....	3.2	2.9	2.9
Liberals (PLI) .....	2.5	3.9	4.8
Other <sup>2</sup> .....	1.6	3.4	4.0

PROVINCIAL RESULTS

Christian Democrats .....	34.8	39.4	37.3
Communists .....	32.7	27.2	26.7
Socialists .....	12.7	9.9	11.0
Neo-fascists .....	6.8	8.2	5.3
Social Democrats .....	5.8	5.2	7.3
Republicans .....	3.4	2.8	3.0
Liberals .....	2.7	3.9	4.9
Other .....	1.1	3.4	4.5

MUNICIPAL RESULTS

Christian Democrats .....	34.6	36.4	37.1
Communists .....	32.2	28.8	25.6
Socialists .....	13.3	9.5	11.3
Neo-fascists .....	5.6	9.0	4.2
Social Democrats .....	5.8	5.1	7.1
Republicans .....	3.7	3.2	3.0
Liberals .....	2.4	4.4	4.5
Other .....	2.4	3.6	7.2

<sup>1</sup> The neo-fascists officially absorbed the Monarchist Party (PDIUM) in 1972, which accounts for some of the increase in neo-fascist strength in 1972 and 1975. The Monarchists are included in the "other" category for 1970.

<sup>2</sup> In addition to the Monarchists in 1970, the "other" category includes several small parties on the extreme left and a smattering of smaller parties that reflect highly localized interests. The number of such groups is particularly high at the municipal level.

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